

10-10-2023 Medical Cannabis Production Establishment Board Meeting Minutes

Commissioner Craig Buttars Calls Meeting to Order - Utah Department of Agriculture and Food

Members in Attendance: Commissioner Craig Buttars, Dr. Edward Walker, Miles Maynes, and Josh Daniels

Commissioner Craig Buttars Reads Statement: "All participants will be muted until asked to speak by the board. If you are a company representative please click Raise Hand when it is your time to speak and one of our admin will unmute you. During the public comment period please type in the chat box or click Raise Hand to be called on by the board, at which point you will be unmuted. Thank you to everyone for working with the department to ensure a professional and efficient meeting."

Dr. Edward Walker moves to approve the 8-9-2023 Medical Cannabis Production Establishment Board Meeting Minutes

- **Motion Seconded - Miles Maynes**
- **All Present - YES**

Medical Cannabis Tier 1 Processor License Renewal: Curaleaf

Cody James Introduces Curaleaf: "Curaleaf is one of our Tier 1 Processors and is located in Davis County. As a Tier 1 license, Curaleaf completes CO2 and Ethanol extraction methods at their facility. Curaleaf is currently producing gelatinous cubes, cape cartridges, tinctures, concentrated liquids, and topicals as their approved medical dosage forms. During the last year, Curaleaf received 5 compliance notices; all 5 of those were warnings. In February they received a Label & Packaging of Product Violation due to there being additional information on the side panel, since regulations states that there can be no information other than what is required. In April they had an Inventory Control situation in which we found that their Inventory Control system was off by about 23 units. In May there was another Label & Packaging violation, where the package didn't have certain information in the fact panel as well as incorrect information listed. The product was put on hold and the label was corrected. A week later there was another Inventory Control Violation, where there was about 10 counts of a certain product that was off. In September there was another Inventory Control Violation where the physical count was off by 72, along with that there was some transportation issues. Mostly the manifest was dated for 8/25 but it was missing the signature and the date from when it was actually transported. A total of 5 warnings were sent and a total of 6 violations there. One of the lower numbers, in that aspect. To continue, this renewal year for Curaleaf they had 0 Final Product Quality Assurance failures, so none of their tests came back as a failure for us to put on hold or to remediate."

- **Commissioner Craig Buttars opens it to the Medical Cannabis Production Establishment Board Questions;**

Q. Miles Maynes asks Curaleaf to explain the cause and the outcome of the Inventory Control Violations.

A. Curaleaf states that every violation was responded to in a timely fashion, they were accepted and approved. None of the items were found lost. Everything was ultimately tracked. The second one that happened in September is currently being worked on. 72 units were on site at the time, just in a segregated area. For the entire year they have not lost a single unit of anything and they are continuing to try and improve the process.

Q. Miles Maynes asks if they have an estimation of how many Transportation Manifests they request every month or so.

A. Curaleaf states that they do not have that number.

- **Dr. Edward Walker states that he is impressed with their lack of failed Quality Assurance tests, and that it says a lot about their processing facility.**

- **Commissioner Craig Butters opens it to Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Tier 1 Processor License Renewal for Curaleaf**
 - **Motion Seconded - Dr. Edward Walker**
 - **All Present - YES**

Medical Cannabis Tier 1 Processor License Renewal: Dragonfly Processing SLC

Cody James Introduces Dragonfly Processing SSLC: “Dragonfly Processing SLC is a Tier 1 Processor located in Salt Lake County. As a Tier 1 License, Dragonfly Processing SLC currently does not extract at this location. They create the following approved medical dosage form products: unprocessed flower, vape cartridges, concentrated oil, gelatinous cubes, tinctures, tablets, and topicals. Dragonfly Processing SLC had two failed samples; one for microbials and one for foreign matter. Both were remediated. During the last year, Dragonfly Processing SLC received 15 compliance notifications. Two of those were Citations early on in the year, and 13 Warnings. I’ll speak to the Citations first. Back in January of 2023, as Rules were being swapped over for labeling, they had Labeling & Packaging Violations, found that the Dragon Balm and Dragon Bites had some websites on the packaging, which was not allowed. Dragon Bites also had RX on the label, which is also not allowed. The second one was in February, also a Label & Packaging Violation, found- on different products- websites listed and the RX on their labels. Since that time they have been able to get into compliance. Moving onto the Warnings. In January they had a Cannabis Product Labeling and Child Resistant Packaging Violation. They did not have the required, by statute, over-consumption warning on their gelatinous cubes. Again in January they had another Labeling & Packaging Violation, they did not have the warning written out as required on the label, they did not have the directions on how to contact the department with any complaints or concerns about a product. There was also a QR Code that led to a website; QR is only supposed to lead to a COA and not the website. They had a Medical Cannabis Transportation Violation in January, we found that an agent didn’t have the correct establishment card and also found a manifest from the processing facility where the estimated time of departure and arrival showed 2 ½ hours, however, the directions showed 2 hours. According to statute and rule you cannot take any other way except for what those printed off directions say to, so there was a concern over that. Another Warning towards the end of January where they had just not responded to us about one of their Violations. This was a situation where the deadline had passed for the requested information to be sent over. In February they had a violation of the Cannabis Extraction Requirements and Inventory Control, we found out that their agent on call did not have a safety data sheet, which is a requirement to have a MSDS on hand that employees can find easily. Secondly, they found that one of their products had been destroyed, which was in response to a failure that they did not get in contact with the department about. They did not have an approved remediation plan or approval for destruction of the product. In February, Labeling & Packaging of Cannabis Violation, missing the required mg/g on labeling. In March they had another Label & Packaging Violation, where the packaging information on the flier wasn’t in compliance. The flier actually showed illustrations of a tablet as well as the RX symbol. They had another Label & Packaging Violation where the common name wasn’t listed on the product, the website regarding complaints going to the departments only states feedback, there was additional website information listed, and an incorrect THC warning symbol. RX was on this package as well. Several items on the required Facts Panel were out of order; the order is actually required by rule to be in a certain order. In April they had a Transportation Violation where they found a Transportation Manifest from March 29th that was missing the transporters name. In July they had another Transportation Violation, where the Manifest was missing the purchaser’s name, phone number, date, and signature making the Manifest inaccurate and out of compliance. At that time, for that specific Transportation Violation, we did not get a formal response in time so on August 11th they received a Warning on not giving a formal response in accordance with the instructions in that warning notice. August 11th there was a Security Requirement Violation where an employee did not their agent card physically present and so signed in on the visitor log from July 6th through July 13th, but did not provide sign out times upon his departure, making the visitor log incomplete. Overall there was 2 Violations, and 13 Warnings. 7 of those Violations were for Labeling & Packaging, 3 for Transportation Violations, 2 Violations for Inventory Control, 2 Violations for Non Response, and 1 Violations for failure to notify and receive approval for remediation or destruction, and 1 Violation for allowing an employee to work without an agent card, and an incomplete visitor log.”

Dragonfly Processing SLC States: “As a matter of operational efficiency, we take these Violations and Warnings very seriously. In every single event we put additional processes and protocol in place to. As you can see, the majority of those were related to product and label warnings. As Cody had mentioned, there was some transitions at the beginning of the year, we had a lot of packaging that was pre-ordered when certain rules and regulations were in place those things changed. UDAF had given us a little bit of a grace period to get through those, but there was still some product that was out on shelves. That the was mostly the majority of those Violations. All new packaging has been ordered and approved with the new processes with UDAF, we’re pretty confident that these issues should be very minimal going forward. Some of the operational things, as I mentioned, were related to SOPs and proper training and holding people accountable. SOPs are in place, unfortunately some people forgot to fill in certain things, left some blanks, those things will be, in term of how we hold people accountable, there will be occurrences for those things. So we are letting out staff know how important these things are though they may seem minimal. It is incredibly important for us to maintain in compliance with the rules and regulations of UDAF.”

- **Commissioner Craig Butters opens it to the Medical Cannabis Production Establishment Board Questions;**

Q. Dr. Edward Walker asks about the adjustments Dragonfly Processing SLC made in response to the lack of response to some of their Violations.

A. Dragonfly Processing SLC states that they attribute the turnover rate and the new people making mistakes to lack of response to some of the Violations. They are detail oriented in their training, SOPs, and protocols. Some of their protocols have implemented throughout all levels of the process a second check for documentation. The compliance emails received are gone over during ‘morning huddles’ for review. They have added project management software to ensure that nothing falls through the cracks.

Q. Miles Maynes asks Cody James to clarify what the intent of the updates to the rules regarding labeling were.

A. Cody James states that most of the changes were based on it being appealing to children. Then getting the information that is important to patients on the label without anything else. Advertising or marketing products has become an important part for these licensees to get their products to patients. Patients have reached out over the years wanting to know exacts on what is in the product. It came down to what would be required from a patient’s standpoint while still allowing these companies to market.

Q. Miles Maynes asks in reference to case 23-122 if a response was sent another way or if it is a common violation getting things to that specific email address.

A. Cody James states that like Dragonfly mentioned, things tend to get lost if they are not sent or contained within the correct email. UDAF does require that all responses go to the Cannabis@Utah.gov email.

A. Aimee Isom states that the language on the Citations is clear on where to send responses.

Q. Miles Maynes asks how Dragonfly tracks vehicles for transport.

A. Dragonfly states that they have specific vehicles that are allowed to be used for transportation. Those vehicles are housed at their processing facility. They use a google calendar system for booking out the vehicles to keep track of who is taking the vehicle and where they are going. Manifests are used for all deliveries and all vehicles that are allowed for transport are logged with MJ Freeway and are included in the invoice.

Q. Miles Maynes asks how Dragonfly is doing with their new management system software.

A. Dragonfly states that Monday (project management software) was implemented and it has been great in helping them keep track of things as it is all in one place. It has become the one source of information, instead of having everything spread out through emails and spreadsheets.

Q. Miles Maynes asks if Dragonfly has had anything fall through the cracks in reference to Monday (project management software).

A. Dragonfly states that there was one thing that had been a training issue. A new person had incorrectly copied Monday (project management software) on the reply and not UDAF. When UDAF issued the non-response warning they looked closer and realized what had happened, and provided further training for the individual.

- **Commissioner Craig Buttars opens it to Public Comments; no Public Comments were submitted and Public Comments were closed**

- **Dr. Edward Walker moves to approve the Medical Cannabis Tier 1 Processor License Renewal for Dragonfly Processing SLC**
 - **Motion Seconded - Miles Maynes**
 - **All Present - YES**

Medical Cannabis Tier 1 Processor License Renewal: Wholesome Goods

Cody James Introduces Wholesome Goods: “Wholesome Goods is a Tier 1 Processor located in Davis County. This is actually their first renewal; they gained approval from the board in August 2022. So this is their first time coming to the board as a processor. As a Tier 1 License, Wholesome Goods completes solventless and hydrocarbon extraction methods at their facility. They create the following approved medical dosage form products: unprocessed flower, vape cartridges, concentrated oil, gelatinous cubes, resin & waxes, tinctures, lozenges, sublingual preparations, liquid suspensions, capsules, and topicals. Wholesome Goods had 13 failed samples; 2 for foreign matter, 1 for microbials, 9 for solvents, and 1 for heavy metal. 10 were remediated and 2 were appealed and 1 is still in the appeal process. During the last year, Wholesome Goods received 7 compliance notifications, all of which were Warnings. Back in January they had an Inventory Control issue which appeared to be a printing issue, an unregistered scale was being used in the kitchen area, and bags of gummies with unintelligible labels that made it difficult to verify within the inventory system. This was a Cannabis Processing Facility Requirement and not an Inventory Control Violation, in regards to the unregistered scale. The Inventory Control was for the bags of gummies we weren’t able to verify at the time. In March there was a Security Requirement, in which we found several containers that did not have SOLO tags on them. Later in March there was a Labeling & Packaging Violation where gummies with items on the fact panel were found out of order and with the incorrect net weight. At a similar time there was a Transportation Violation where several manifests were found with missing information, such as the purchaser’s contact name, contact number, and the responsible party receiving signature. In June they had Labeling & Packaging Violation, again found that the total THC found on the label was listed as 1.74 mg/g where the COA had the Total THC listed at 1.97 mg/g. Since this is over the 10% variance it was out of compliance. Also found that the product contained .17 mg/g of synthetic cannabinoids as noted on the COA, but was not listed on the label. Nor did it have the label requirement to state that the product had derivative or synthetic cannabinoids. In July there was an Inventory Control Violation and a Minimum Storage Violation where their vapes physical count was off by just 1 unit, and found 2 bulk jars of cannabis concentrate on the floor of the freezer versus being off the ground by 4 inches. Lastly, September, which was based on information that came from the city that they’re located in regarding an order complaint where there’s a violation of the local ordinances based on cannabis smell, dust, and things like that. This came down to the smell of cannabis and the number of complaints that came into the city, which was then turned over to us. Overall there were 7 Warnings sent out with a total of 8 Violations. Nothing over their first year that caused major concerns out of compliance.”

Wholesome Goods States: “We take compliance very, very seriously; obviously, we have an entire department dedicated to it. We’re not proud of any of these warnings or QA violations. We strive to always be better each day, whether it be in training or in the auditing process. A lot of these warnings were not repeat offenses, and largely due to the fact of how we follow up. We generally respond within 24 to 48 hours to acknowledge the receiving of the notices, and we have not had an instance where we did not respond within the required timeframe; including this latest warning that we got. It’s been a good first year for us, in business it’s been a lot of challenges. As you can see. We feel good about the direction that we’re headed in as a business and we’re looking forward to our second year in operations. We’re going to have some Change Requests come in front of you a little bit later in the meeting, for some new products that we’re looking to produce. We know cannabis is not without its challenges, whether that’s for us,

whether that's for the people that operate around us in different businesses. We are committed to getting that right. We're actively working with Centerville City to resolve the odor issues, we have some additional mitigation plans we plan to present to them. Ken Steward is here, our landlord, and he can answer any questions and speak to the efforts that we've gone to collectively to try to solve and mitigate the issues. I'm sure there may be some folks here that feel the same way, but I can say from a company perspective, that we are absolutely committed to solving any of these things to the best of our ability. And that's why we're going to meet with the city and work with the city to actively reach a solution that works for them within the city ordinances that they've passed."

- **Commissioner Craig Buttars opens it to the Medical Cannabis Production Establishment Board Questions;**

Q. Miles Maynes asks Wholesome Goods to explain the backstory for the products that were found out of compliance that were appealed.

A. Wholesome Goods states that the first one was a Pineapple Upside Down Cake gummies that were found to contain foreign material, it was actually some sugar that had either caramelized or otherwise oxidized into a different color than the rest of the sugar. There was flower that tested positive for heavy metals, when retested through the UDAF labs it passed in regards to heavy metals. There is bulk oil that is currently being appealed for the same reason. The other QA failures have been remediated and put onto the market.

Q. Miles Maynes asks Wholesome Goods what some of the mitigation implements they've discussed for the odor complaints.

A. Wholesome Goods states that to this point it has been an issue that has involved air flow between units in the building. To solve that the walls have been sealed from both sides; at least one side with one co-tenant, the other co-tenant the walls have not been sealed on both sides, but the work is in process. The air that is exhausted out of the building has been filtered to be as odorless as possible, though it has not met the standards of the people around them. Due to that they are meeting with the city to discuss what the proper course of action is to remedy the odor. Smell will always be an issue for cannabis operators and they are looking into other measures.

Q. Miles Maynes asks if Wholesome Goods knows what the cause of the odor is.

A. Wholesome Goods states that they believe the smell is originating from their cultivation and not their processing facility. Regardless, it is being addressed and has been addressed, it's just a matter of how much more needs to be done to satisfy the city and their ordinances.

Q. Dr. Edward Walker asks if SOLO tag is a brand name.

A. Cody James states that it is a name that came with the original tracking software the industry used and that it has become a holdover name when referring to any tracking tag used.

Q. Dr. Edward Walker asks if the Transportation Manifest isn't signed by the receiving party how the driver is able to leave after delivery.

A. Wholesome Goods states that it was just a matter of the paperwork not being filled out correctly. That a delivery has never been left without the driver knowing who was responsible for it. They now audit their Manifests to make sure that everything is filled out correctly.

- **Commissioner Craig Buttars opens it to Public Comments;**

Doug Shipley: "My names Doug Shipley with Intermountain Wind & Solar. We're a co-tenant in the building, we're in the suite to the North of them. We've been in there for about 2 years, it'll be 2 years in November when our lease began, and it's just progressively getting worse and worse as they've been there. We really have not other issues. We haven't had any issues with- I mean, there's some parking issues but, like, they're great. Their employees have always been nice, and I feel like we are back. But my office staff can't work from the office. The stench is getting worse and it's not light. Just earlier, last week, I went out to dinner- I've been volunteering with the county's sheriff's office for 20 years now, and I went out to dinner with a few deputies and I'd just come straight from work and they

immediately smelled it on me. Now, they're deputies, so they're kind of trained for it so I can kind of took it with a grain of salt. Asked them afterwards, you know, we got in my vehicle and they're commnet- I mean, them getting in, there was one where they said if I would have been pulled over they'd toss my car, I mean they'd just be looking for the weed, cause they knew it was in there. My nose, as far as in my vehicle, the office is another level and the warehouse as well, but for it to be getting into my vehicle when it's parked in the cul de sac, you know, to the North of the building is is is, you know, this is getting ridiculous from our perspective. Though we don't know the solutions, but it's not our problem, in our opinion. We've had a number of people that just have refused to work from the office. I've got plenty of cubicles if any of you wanna come experience it. They're empty. Outside of that, you know, there's several of us here, but we get comments from distributors, FedEx drivers, when they're dropping stuff off. One has asked us if we're hot boxing our warehouse. It's all in, I laughed, you know, it was funny, it was a funny comment, but it does go the level where it's immediate stench that they they- and they recognize it, they know what it is and so do our clients. When we're in meetings or we're in the home and my sales guys have been working from the office, there is no doubt that they are smelling it. Doctors, dentists, of employees that work in the office have all commented on it. So, it's just- that nuisance of it is what we're just fed up with. The rest of it, honestly, it hasn't been an issue. We've worked well with them to get the power needs through our building to their suite. It's not been an issue, as far as working together, it's just trying to figure out how to get to where we can handle it. But right now- and it's our understanding that it's not going to get any better, as far as, like, the volume that they're processing, i know they are working on things. I haven't noticed, nor has anyone in my office noticed, any appreciable difference. It's just that that we wanted to make you guys well aware of."

Bryce Anderson: "Bryce Answeron with Walking Comfort. So we are also a co-tenant. Obviously I have some experience with the business side and the impact on the business side, but I'm also a native of Centerville and I care deeply about the city. And so, from a business side, we're one of the sides where it's been sealed up and the impact is the same, you know, he's saying that we've gotta move all this stuff so we can get sealed, it's not gonna fix the problem. We have millions of dollars of footwear in our warehouse and if you take, you know, I'll take samples home and it makes my house- I have to put them on the porch to let them air out, right? We're selling these things all over the US, you know, we're- we've had some comments, obviously from staff and other things. So there's the business impact, and I get it, like, if it's just, you know, an issue with the building but it's not. As a resident you can smell, at certain time, you can drive on I15, you can smell it. When you drive on Legacy Freeway you can smell it. And when you talk to people in the surrounding areas; 'you know that skunk problem is getting bad down there', because they don't know what it is. When you explain to people what it is, it's a big deal. I spoke, you know, the stories that were shared and the comments that were made were great, but I spoke to the CEO of Wholesome, I believe he's the CEO, about a month ago and I talked about the issues and he's like 'well'- and we've been trying to decide if we're going to sign a lease for another part of the building and he's like 'I wouldn't do it if I were you', he's like 'we're about 50% optimized with the flowers and so as we get more and more optimized the smells going to increase and get worse', right? And so, it's- they want the space as well, but also he's like 'you know, we don't want to get complaints so I wouldn't get it cause it's not gonna get better'. And so the smells going to be worse, you can already smell it from the freeways, it's impacting businesses that are there, surrounding businesses are starting to get more and more aware of it, and I think once, you know, you start smelling it from homes, I mean. So I sent Chris, I just did a quick search, I said 'hey, it looks like this can be an issue in other states. People are out in the boonies doing it, I don't know why it's closer to Centerville City, but here's some remedites or mitigation that they suggest or do'. There's a lot of companies out there that do it cause smells a problem, right? And his response in text was 'it's the landlord. The landlord's gotta seal up the building and it'll be fine'. So I don't know what remedies are being done or what they're looking at, or what they're going to propose to the city, but when I've talked to him there were no- he wouldn't hear it. 'It's the landlords fault'. So, that's my experiences as both a business owner trying to run a business and, you know, someone who cares deeply about Centerville and the surrounding area."

Tiffany: "I'm Tiffany and I'm an employee at Walking Comfort. I work very part-time, I'm only there two to three house a day, but just in those two to three hours I can leave and my car just being in the parking lot, will carry the smell for several days. I'm running carpools, I'm picking up 5 and 6 year old girls to go to gymnastics and the mothers asked me about the smell in my car as they loaded their children in to my car. That's a huge impact for me, to have parents concerned that I personally am using pot, but also putting kids into my car that smells like that. So it's a big concern of mine to continue to work there is my reputation and other parents thinking that I'm using pot and exposing my kids to the smell."

Chris Shay: "I'm Chris Shay and I'm the warehouse manager at Walking Comfort. I would just give a couple of examples of the odor affecting my employees. We've got- we had one employee that got in an argument with her husband because he was sick and tired of his truck smelling like weed every time he got in it. We've had employees that have had to go home because they got nauseous when the smells were extremely bad. Some days you can barely smell it, some days it's just like a floating pocket of smell and you'll walk through it. Your nose will tingle, your eyes will water, and once you've walked through it then you don't smell it anymore, so it's kind of strange that way. I just heard a story this morning from one of my employees, that he had left his sweatshirt in the warehouse over the last weekend and when he took it home, um, one of his roommates smelled it and one of their violations of their lease was marijuana usage in the home, and so he had to explain to them that he worked right next to this place and that's why, you know, his sweatshirt smells. So it's actually impacting our employees, some of them having to go home because they're nauseous, some are experiencing issues within their own families. It's just the smell is so strong at times, not always, but at times it is really bad."

Brad Hendrickson: "My name is Brad Hendrickson and I agree with everything they're saying. As a parent, it's concerning if you get pulled over, nobody's gonna believe you. I'm in the office, like, everyday and I come home and I smell, it's ridiculous. If they could just do something to mitigate that, I think that's all- that's the only problem we have, I think."

Lisa Romney: My name is Lisa Romney, I'm the City Attorney for Centerville City. I am here to issue the City's objection to the renewal of this license at this time, until we get this odor issue resolved. I think you've heard first hand testimony today of the significance of the odor. We understand that there will be smell, businesses have a smell, but this is egregious. We have been receiving complaints since August. Agreed that it comes and goes and that's what I've heard, but we've had enforcement officers there and one came back to my office and under the Reasonable Suspicion Standard I probably would have had to say 'we need to go test you'. He'd already gone there and just the smell. We have also had complaints about the smell on the freeway, which I think is too far. It's too much. It's impacting the entire community. This facility is on the West side of the freeway and so we have some residential area there, but obviously you know the proximity rules, we don't have any there within 1,000 feet, but we do right across the freeway. We, as a city, have been dealing with this for months. Emails have been going to our city council members, we've been investigating it, we do have a police report. In order to start our code enforcement violation process we had the police department go over there and actually investigate. They felt like the smell was significant and, you know, whether it's a nuisance or not we don't know, we're just going into code enforcement. So we have issued, in Centerville we try to do a code enforcement, we don't have a code enforcement official, but we issue a courtesy notice and then we get into the violations. So we are at the courtesy notice stage right now, where we send a courtesy notice of the code violation. So Centerville does have a Medical Cannabis Facility Ordinance, and in that ordinance it talks about odor and prohibiting these types of facilities from putting any kind of odor, vapor, fumes into the environment. Which, in our opinion, this facility is violating our ordinances, but we are merely at the courtesy notice. I do appreciate- we did receive back a response to that from Mr. Laurensen and Wholesome Goods, and we're reviewing that. I will confirm that we have a meeting with them next week, but to me there's something significant that needs to be fixed with the HVAC system and I'm just going through some of the regulations, you know, and what some of these facilities have to have, even your application says that they have to have Best Practice Standards. So obviously with this kind of smell, this is not good for this industry. You know, these are facilities, this is a business, we understand that, but I believe that they are violating our ordinances as well as your own regulations for this type of impact on the community. I'm happy to answer any questions. I am glad and I appreciate that you were able to hear first hand testimony, so I didn't have to give any hearsay from all the complaints we've been receiving, but I think you've heard enough, even of that. General community- not only from the businesses next door, which is a significant impact but even the general community, um, we're also receiving those types of general complaints."

Corey Morrill: "My name is Corey Morrill and I'm working with Utah Cannabis Agent Training currently. I would just like to say that, um, everything I just heard actually sounded like anecdotes and hearsay. As a patient and a cannabis professional- the idea that you can smell Wholesome Co. from the freeway, first and foremost, is just laughable. That is- that is not true. There is no possible way that is true. I've never smelled Wholesome Co. until I pull up to the drive-through and, like, the drive up window is open. What is really comes down to is an idea of the stigma of Medical Cannabis, okay? Smell- the smell isn't hurting you. Have an honest conversation with your children, tell them it's

medicine. Just explain what it is. It is not- it is not a difficult- in fact, UCAT (state-approved training for Medical Cannabis agents) exists for this purpose. If you want, we can explain it you, why smell is not going to hurt you or your children. Just have an honest conversation with them. It's peoples medicine. We need Wholesome Co. to be there. We can't just shut it down because 'oh some shoes might smell bad'. This is medicine. Talk to your kids. I'm sorry you don't like the way it smells."

Blake Smith: "I'm Blake Smith, I'm the CEO of Zion Pharmaceuticals. I have two comments. One is I don't think the characterization of everything being called weed is appropriate. Based on the last comment, this is medical cannabis. This is an industry that's used to provide medicine for patients that have been recommended by doctors. So we need to stop this characterization of 'weed this' 'weed that' 'weed makes this me' 'I have to explain this to my families'. Having said that, smell is a national concern for tons of places, this is something that is common in the industry. There are ways to mitigate it. The one challenge that I do thing that Wholesome runs into is they have to have landlord approval to make significant changes to the building that would necessitate fixing some of these things. I don't think that they would be necessarily blowing this off, but it is challenging. Not that it should be let go, but I just ask that the city work with Wholesome and the landlord to get it resolved rather than just simply blaming a manufacturer of medicine."

Justin Dygert: "I'm Justin Dygert, I'm with Intermountain Wind & Solar. I completely respect and understand that some of what has been shared with the medical reasons, and I know individuals that do use cannabis for medical reasons and things like that, but in regards to some of the comments of smell not being strong from the freeway, and whatever else, I guess there's- it's fairly prevalent to maybe have a sample size of 20 people go and test it, and learn the results there. But the one thing that I will say, that regardless of the smell and personal preference of the parties here and what we feel about it from either side. One thing that has impacted us significantly- we have a number of items that are stored at the warehouse there, whether that be products that go to customers, there's a variety of different prices of furniture and equipment that we use for trade shows and home shows. We've taken those, the couches, the chairs, whatever else, we've purchased several times. When we arrive at this home shows it's interesting, just the number of people that will actually comment because of the aroma that has stuck to those fabrics. There may be advice from people who understand the aroma, that maybe there's fabrics we can buy that wouldn't hold on to it so strongly, but when we're at a home show or a trade show event, it's obviously prevalent in this conversation, that cannabis and the smell around it is a rather strong topic with very strong opinions on either side. And when we as a business are put in a position where we are exposing other people to that smell, they are then associating us directly with it and we have been negatively impacted by it at these trade shows and events. You could say it directly impacts us on the business standpoint, not only people willing to have a conversation with us but also what they instantly walk away thinking or feeling. Intermountain Wind & Solar sales reps at a trade show or at a home show, they walk away with one thing if they don't have a conversation with us is the smell of cannabis. Well we could just address that, we can tell people 'hey, yeah, we've got a cannabis business right next door'. Again, we don't have any problems with the neighbors, the problem here is that that is not professional either to preface every conversation with that. And there's a lot of damages to the business and the company and to us as sales reps because people will smell before they even have a conversation, just because of those things that linger. The only other thing that I'll say, is actually I have pretty bad allergies and congestion, and so it does not impact me personally. If you asked me if I could smell it, I personally have a hard time because I have so much congestion and allergies and whatnot. However, I've had family members- I actually had a father-in-law and several others that just pulled me aside and were just asking 'what's going on' and whether or not I'd been using- whether it's for medical reasons or whatever else, but it does give people the wrong impression. I'm not affected by the smell but it lingered on me long enough for other people to notice, and it impacted personal and business relationships."

Robyn Mecham: "This is Robyn Mecham. I am a city councilwoman here in Centerville. I had received many complaints about it and I was a little wary, I'm of the older generations and so I'm not really familiar with the smell and I thought 'oh they're just concerned because we have this cannabis facility'. Well, I was out to lunch with some friends and I got an email about it so I said 'let's ride over there and see if we can smell anything'. We got several blocks away, and one of the ladies said 'surely this is not the smell' and I said 'no, that's gotta be a skunk'. And as we got closer and closer we thought 'that is really the smell'. So we were almost laughing at this and I pulled in the parking lot and this one lady hollered at me and said 'you have got to get out of here. I am going to be sick'. My eyes were burning. I was absolutely shocked at- I mean these people are telling you about the smell inside the building, I was in

my car out several blocks away, and when you pull in that parking lot the smell was burning my eyes. I didn't know there was a smell so I was kind of on the other side going 'well, people are just complaining because it's cannabis' but when I went down there I was totally shocked. We have a business that is for children across the road from it, it's a childrens play area. I've had people that have gone there and complained to me. I've had other people who did not realize when I talked to them that that's what it is. 'We just thought that the skunks were getting terrible on that side of the freeway'. It is not just a problem for this building, it is a problem for the entire area. And as a councilwoman I am afraid that we're going to lose businesses in this area because- no, I mean, you're talking two blocks away, people are telling me that they're going home and their cars are smelling like it all weekend long. So I would really appreciate it if you guys would think about whether we renew this license without, you know, somehow fixing this smell. It's not fair to the area around them. Thank you."

- **Commissioner Craig Butters opens it to the Medical Cannabis Production Establishment Board Questions;**

Miles Maynes States: "We've never encountered this before, and as someone seated on the board, making a motion right now is...we're just getting a lot of information. For me, this license, which is the processing license, is not as offensive as the Cultivator. So, if we're just looking at this license specifically we have to treat that renewal with this in mind. The cultivation, especially this time of year, gets really pungent and I think we're seeing that. As far as Lisa Romney, I don't know- my question to you is what is the enforceable actions from the city? I know you mentioned a courtesy notice but what would that escalation look like? Just for the consideration for what we are trying to achieve on this board."

Lisa Romney States: "The city does want to work with them. I think you've heard, you know, the business, we just need the odor and the smell taken care of. That's why we're asking the state to either- if you can even just issue a temporary license, we can come back within 30 days and see if, next week when we meet, we have some resolution of this. But if this is the first you've heard of it- the HVAC system is not working, I think. If you have these facilities elsewhere, um, for some reason this plant just really puts out the odor. So in terms of our enforcement, we're a city of 17,000, so the state has a lot bigger stick than we do, but yes we can issue a code enforcement violation which is most likely going to be a \$250 fine. We can look into their own business license, so you know, their city business license. If you're in violation of a zoning code we can do something with the business license. It's a lengthy process for sure in terms of the city's enforcement, but we do say that every day is a new violation so we can always start over with the \$250 fine. And again, even if there's something temporary to make sure that there's motivation to have this resolved, and just so you know, I think the testimony about there being two different licenses came from the applicant and the licensee themselves, we don't have any evidence of which one is actually smelling. But that's my comment on which license is up for renewal and whether there's evidence of that or not. Which one's causing the smell."

Q. Commissioner Craig Butters asks when Wholesome Goods Processing License is expiring.

A. Cody James states that it will expire by the end of October.

Q. Dr. Edward Walker asks for clarification on what the board is allowed to do within a situation like this.

A. Melissa Ure states that the board has the responsibility of renewing and approving licenses. The department reviews the applications to ensure that they comply with the basic outlines of the law and that they meet the standards. The statute does not allow for temporary licensure so the board is unable to approve that. There are enforcement actions the department can take after a decision has been made in regards to concerns. Since Centerville City has not issued a violation to Wholesome Goods they are not out of compliance within the statute.

Q. Dr. Edward Walker asks that since Centerville City has not issues a violation that they will have to base their decision on what the department has presented in terms of compliance, quality assurance, and the various other things they have reviewed.

A. Melissa Ure states that that is correct and that as more information comes in the department does have enforcement tools that can be used after a decision has been made.

Q. Dr. Edward Walker asks that if it is within the board's power to issue an approval and also instruct the department's compliance team to investigate the concerns and re-open the discussion if any action is required.

A. Melissa Ure states that the board is able to make that decision and take those actions. She also reminds the board that improvement has been promised, and improvement has taken place. If the issue continues it can be a point of concern during the next renewal period.

Q. Commissioner Craig Buttars asks if a violation is issued by Centerville City that the board could re-open the conversation and reconsider the decision made.

A. Melissa Ure states that if a violation is issued by Centerville City and Wholesome Goods is found out of compliance with the city code that there are enforcement actions the board and the department can take at that point.

Q. Lisa Romney asks for clarification on whether or not the courtesy notice is considered a violation with the department as it is with Centerville City. She states that they have found them out of compliance with city code and have given them 10 days to cure, plus an additional 30 days to allow communication and resolve. She states that they are currently within that 30 day time period.

A. Cody James states that when Centerville City sent over their documentation the department started their own process of notice of violation. The department has set a 20 day time period on which the licensee has to respond with their solution.

Q. Miles Maynes asks if the board is able to require a 30 day progress notice or something similar.

A. Melissa Ure states that the warning notice has gone out and if improvement does not take place then other enforcement actions will be taken, up to and including revocation.

Q. Dr. Edward Walker asks for clarification on if they approve the license today with the information they have and the process at where it is at, if they are able to take actions before the next renewal period.

A. Melissa Ure states that the department will continue to do their enforcement actions as it is required by the statute. Therefore, as Centerville continues to work with Wholesome Goods and the department works with them, there will be actions that will need to be followed through on by Wholesome Goods.

Josh Daniels States: "I didn't have a question but I did have a thought, that this really is related to Cultivation. You know, even if there was some ceasure, if you will, to their processing they still have the legal right to cultivate. I think it sounds like there's a mitigation plan and some discussions in the worlds about some facility upgrade that could mitigate this issue. So it seems like the best thing to do is just move forward with the processing license today, and then keep our ears open as to the plans for improvement related to the cultivation. I'd go ahead and make a motion to approve the processing renewal."

Melissa Ure States: "Correct me if I'm wrong, but from what I'm understanding from what was said here, is that there is going to be a meeting with the city next week. What the board could do is to move onto the next item on the agenda, have the meeting, and I don't know if the department would like to be there or just be apprised of what happens afterwards and then based on that we could have a meeting with this board again, prior to the expiration of the license. That way we have more information going forward on the remedy for this situation. Therefore a license isn't necessarily being issued today, but you could issue it before the end of the month based on the determinations that are made in that meeting. It would require a meeting of this board before the end of the month."

Q. Dr. Edward Walker asks for clarification on what the board is required to do in regards to public notification and any time limits associated with that.

A. Melissa Ure states that good practice is 10 days notification.

Josh Daniels States: "My thought is that legally, if we somehow, let's say worst case scenario. We don't renew the processing license, at least immediately, they still have the legal right to continue cultivation. Which I think is the underlying cause of the smell. So, I don't know that chaining up the processing license really impacts the root cause

here, which is cultivation. So that's the fundamental issue. Even lets say, if we were to do the worst case scenario, and we cease and desist the processing license they still have a legal right to cultivate. Hence where the smell is coming from. I can guarantee you that, I've experienced the visitations of fields and grows in other states and cultivation really is the cause of the smell. So, until that's fixed the smell will continue, and it sounds like it's really about a building facility upgrade to mitigate the smell."

- **Josh Daniels moves to approve the Medical Cannabis Tier 1 Processor License Renewal for Wholesome Goods**
 - **Motion Seconded - Miles Maynes**

Dr. Edward Walker States: "I think it's important that all parties realize today that if this motions is approved it is not going to necessarily close this issue. This issue will be revisited again soon, and out state compliance, with respect to our inspectors and action that will be taken in the near future, will affect this license. It could result in the revocation of that license, or at least some kind of action to stop if things are not taken care of the way they need to be. I think in this way, given the situation where things are moving forward and solution plans are in place, if that is successful? Geat, we continue. If not then we'll rely on our inspectors and our legal department to take appropriate action that would change or maybe, in some way, not allow continued work at that site."

Commissioner Craig Buttars States: "I think a lot of the- well, this kind of tosses the ball into the city's court to work with the producers and them to work with the city. We will be keeping apprised of the situation there."

- **All Present - YES**

Medical Cannabis Tier 1 Processor License Renewal: Dancing Bees Apothecary

Cody James Introduces Dancing Bees Apothecary: "Dancing Bees Apothecary is requesting to renew their Intent to License for a Tier 1 Processing license. Dancing Bee's originally applied for a Tier 1 license and was given an Intent to License on 11/16/2021. Unable to complete the requirements within the year timeframe to become operational, Dancing Bee's applied to extend their Intent to License and was approved on 10/20/2022. Dancing Bee's was not able to meet the year timeframe after being awarded the second Intent to License and is requesting another extension. The first year it was difficult to find a building, in the 2nd year a building was found but it took time to get the building plans and work with the municipality in order to get things going. I still is, to a point, I think they're still working on getting to meet that requirement of actually being able to work as a licensee. I would remind the board that under the statute under 4-41a-201 Cannabis production establishment license, that the licensing board may revoke a license under this part: (a) if the cannabis production establishment does not begin cannabis production operations within one year after the day on which the licensing board issues the initial license; (b) after the third of the same violation of this chapter is any of the licensee's licensed cannabis production establishments or medical cannabis pharmacies. Obviously there's a concern over the number of licensees in the state already, but secondly, you know, taking the time, holding that Intent to License, taking the time to come into compliance, this would be that second extension and into the third year, moving forward."

Dancing Bees Apothecary States: "We truly appreciate the opportunity to come before you and the board today to update you regarding the significant delays we've faced, but more importantly the progress that Dancing Bees has made since we met with you last October. As you know, last year Dancing Bees was able to secure a facility in Salt Lake City that required a small remodel, but it had the benefit of having a landlord who outright owned the building and was using the warehouse portion simply for storage, so there was no co-tenants. Because the size of our remodel was so minimal, we were planning on the process to be somewhat simple, however, after the first round of reviews we were notified that we were needing to invest a significant amount of time and money to create architectural plans for the entire building. The city of Salt Lake had no record of any previous plans for that building. Because of this our timeline was extended much longer than we had anticipated. Waiting for plans to be completed by licensed professionals coupled with a long review process, consisting of multiple revisions and edits, became when ended up being a 14 month journey. While this journey was arduous, the benefits of securing a long term lease outweighed the costs and we were finally awarded out building permit at the beginning of September. Since then

we've completed demolition, framing, and having met with inspectors and are currently in the middle of electrical work, and about to begin HVAC. So we're happy to report that we're well on our way to being complete in the upcoming weeks. While we know that that process has been a source of frustration, for really everyone involved, Dancing Bees has used this time as an opportunity to focus on continuing education and meeting all other requirements for our Intent to License. So in these months we've honed in our ability to make quality craft cannabis products through hands on training and partnerships with extraction experts in Canada. We've forged important relationships with Utah's pharmacies and cultivators, as well as discussion opportunities regarding full processing. In order to meet all of our requirements, we have received our business license from Salt Lake City, we've completed the MK Freeway training, have received our UCAT and GMP certifications, and are fully insured and bonded. So while the last year has proven to be a bumpy road, we've come before you today with our facility construction finally underway and feeling really extraordinarily confident in our ability to get up and running shortly. Again, I really appreciate the patience and support that UDAF has shown us throughout this process, as well as the time you all have put aside to review our update."

- **Commissioner Craig Butters opens it to the Medical Cannabis Production Establishment Board Questions;**

Q. Dr. Edward Walker asks for clarification on what the 14 month delay entailed.

A. Dancing Bees Apothecary states that the delay was mostly due to the original plans of the building when it was first built in the '80s were not stored with the city. While the remodel was minimal, they were still required to have plans drawn up of the entire building for state record.

Q. Dr. Edward Walker asks if they have a date on when they will be up and running.

A. Dancing Bees Apothecary states that they are projecting to open sometime in December or January, with full production starting January or February.

Q. Miles Maynes asks what niche in the market Dancing Bees Apothecary intends to fill and what their intended production will be upon approval.

A. Dancing Bees Apothecary states that they will be focusing on live resin products, due to the ability to preserve the medicinal terpenes. While their menu will be small, their discussion with other local pharmacies has led them to focusing on live resin. Production will most likely be 50% of packaging biomass and the other percentage being live resin.

Q. Miles Maynes asks why hydrocarbons Dancing Bee Apothecary is using.

A. Dancing Bees Apothecary states that they are using a light hydrocarbon process consisting of butane and propane.

- **Commissioner Craig Butters opens it to Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Dr. Edward Walker moves to approve the Medical Cannabis Tier 1 Processor License Renewal for Dancing Bees Apothecary**
 - **Motion Seconded - Miles Maynes**
 - **All Present - YES**

Medical Cannabis Change Request Approval: Wholesome Goods

Cody James Introduces Wholesome Goods: "Wholesome Goods is a Tier 1 Processor that has submitted a Change Request for an additional formulation method. These new methods would be used to create expanded versions of Wholesome's already approved processed goods list in order to make 'fast-acting' products. This will include fast-acting gelatinous cubes and fast-acting powder mix liquid suspensions. If given approval by the board, a GMP inspection will be required."

Wholesome Goods States: “I appreciate the entire process that you all just went through. You understand that we have some significant challenges in front of us, just generally, you know, as operators. I’m sure the people in the room could speak to all those, I appreciate the support that we found online. Specifically in relation to these, this is just going to allow us to produce some new products that we have not been producing. Not in terms of the form factor itself, short of the liquid suspensions and powders, it’ll just provide some fast-acting, you know, products. Sometimes edible products can take a long time, this would provide a more immediate relief using a proprietary ingredient.”

- **Commissioner Craig Butters opens it to the Medical Cannabis Production Establishment Board Questions; no questions were asked and the Medical Cannabis Production Establishment Board Questions were closed**
- **Commissioner Craig Butters opens it to Public Comments;**

Dragonfly Processing: “I would just like to speak to Wholesome’s commitment to exceptional quality and serving the patients of this community. The Wholesome Co. serves a wide variety of patients across the state of Utah through their delivery. One of the things I’d like the board to consider, with their licensing, I’d be curious if the city council or the citizens of Centerville have filed any formal complaints against the Chevron refinery there, because for me that’s incredibly off putting, incredibly dangerous for public health and safety, and far more of a concern to the general population in Utah than the inconvenience. As cannabis operators, we have dealt with this level of stigma our entire lives and this is not to discredit that there are challenges in operations, but I think that we all heard that there was a far bit of opinion and stigma and concerns about having hard conversations with our community.”

- **Miles Maynes moves to approve the Medical Cannabis Tier 1 Processor License Renewal for Wholesome Goods**
 - **Motion Seconded - Dr. Edward Walker**
 - **All Present - YES**

Medical Cannabis Change Request Approval: Dragonfly Moroni Processing

Cody James Introduces Dragonfly Processing SSLC: “Dragonfly Moroni Processing is a Tier 1 Processor that has submitted a Change Request for an updated form of refinement with a reactor vessel process for isolation of cannabinoids. This decarboxylation procedure, according to Dragonfly, will minimize prolonged exposure to atmospheric gasses at high temperatures, reducing potential for oxidative degradation of cannabinoids and other biomolecules of interest. If given approval by the board, a GMP inspection will be required.”

Dragonfly Processing SSLC States: “It’s a really simple piece of equipment to help improve our decarbing efficiency. We’re currently doing it through ovens right now, and that takes a little longer to process.”

- **Commissioner Craig Butters opens it to the Medical Cannabis Production Establishment Board Questions; no questions were asked and the Medical Cannabis Production Establishment Board Questions were closed**
- **Commissioner Craig Butters opens it to Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Dr. Edward Walker moves to approve the Medical Cannabis Tier 1 Processor License Renewal for Dragonfly Processing SSLC**
 - **Motion Seconded - Miles Maynes**
 - **All Present - YES**
- **Dr. Edward Walker moves to adjourn the Medical Cannabis Production Establishment Board Meeting**
 - **All Present - YES**